

Department of Justice

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FOR IMMEDIATE RELEASE
JULY 10, 2012
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THIRTY-THREE CHARGED IN MULTI-MILLION DOLLAR INTERNATIONAL LOAN FRAUD SCHEME

BUFFALO, N.Y.--U.S. Attorney William J. Hochul, Jr., along with Director of U.S. Immigration and Customs Enforcement John Morton, announced today that a federal grand jury in Buffalo has returned a 62-count Indictment charging 32 defendants with participating in a large scale, international loan fraud scheme. The alleged scheme targeted over 2000 victims across the United States, and obtained millions of dollars.

In arrest operations conducted early today, authorities arrested Brynell Jones, 31, of Detroit, MI; Shardonya Fletcher, 26, of Detroit, MI; Gerri Britton, 40, of Wyandotte, MI; Candice McGraw, 22, of Grand Rapids, MI; Sherece Payne, 22, of Brooklyn, NY; Deborah Boshears, 40, of Wyandotte, MI; MI; Ashely Cain, 21, of Brooklyn, NY; and Luna Noncent, 23, of Brooklyn, NY. Dianne Jaichon, 36, of Windsor, Ontario was arrested July 1, 2012.

Another defendant, Kevin Chenevare, 33, of Wyandotte, MI, was arrested for wire fraud conspiracy pursuant to a Criminal Complaint. The Government will seek the arrest of other defendants, located in Canada, pursuant to the provisions of Mutual Legal Assistance Treaties.

One defendant has already pleaded guilty to wire fraud in U.S. District Court in Buffalo and is scheduled to be sentenced in August.

All of the defendants are charged with conspiracy to commit wire fraud, which carries a maximum penalty of 20 years in prison and a fine of \$250,000, and conspiracy to launder money, which carries a maximum sentence of 20 years and a fine up to twice the amount of property involved in the crime. Deborah Boshears is also charged with

wire fraud, which carries a maximum penalty of 20 years in prison and a fine of \$250,000. Others named in the Indictment are still at large and are charged with multiple substantive counts of wire fraud and money laundering.

Assistant U.S. Attorney Fauzia K. Mattingly, who is handling the case, stated that according to the Indictment, the defendants were involved in a massive loan fraud scheme being operated over the internet out of cities in the United States and Ontario, Canada, since 2005. The scheme utilized numerous web sites and search engines to direct would-be loan applicants to apply for unsecured personal loans online with non-existent financial companies. Representatives of these virtual companies would contact the loan applicants, advise them they were approved for loans, and then direct them to make an initial security deposit payment through Western Union to money couriers in order to receive the loan proceeds. Despite making the requested initial payments, the victims never received the loans or refunds of their money.

Once the victims realized they had been defrauded, the defendants operating the web sites disengaged the old sites and established web sites for new fictional companies. The on-line listings for these companies included fictitious addresses in the United States and often imitated the names of actual financial firms to give the appearance of legitimacy.

The investigation has identified more than 2000 victims who lost more than \$2,700,000 to the loan scheme.

“This case demonstrates the real-world threats that continue to be present in the on-line domain,” said U.S. Attorney Hochul. “Here, potential loan applicants were misled by internet advertising and the clever creation of fictitious companies with names similar to those with proven track records. Customers of all types should be reminded that when dealing with anyone on-line – whether to purchase goods, or to provide personal or financial information about yourself - it is especially important to do your homework. Do not rely solely on online advertisements or emails, ask questions, and do not be pressured. The public can also always contact the Better Business Bureau, State and Federal law enforcement agencies, or the website www.stopfraud.gov for more valuable information.”

“As a result of this investigation by Homeland Security Investigations, a major, international criminal network has been disrupted,” said ICE Director John Morton. “Conniving and stealing is over for this den of thieves. Instead of manipulating those struggling to make ends meet, the 33 members of this ring now have to answer criminal charges in Federal court. Had they not been caught, these con artists would still be profiting from their charade. HSI and our law enforcement partners will continue to aggressively pursue criminals who exploit the financial system and try to take advantage of vulnerable citizens.”

The Indictment is the culmination of an investigation on the part of Special Agents of Immigration and Customs Enforcement, Homeland Security Investigations, under the direction of James C. Spero, Special Agent in Charge in Buffalo, NY, with assistance provided by U.S. Customs and Border Protection, Canada Border Services Agency, and the Federal Trade Commission.

The fact that a defendant has been charged with a crime is merely an accusation, and the defendant is presumed innocent until and unless proven guilty.

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